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SUBJECT: PANAMAX 2005: TRAGIC LOSS MARS GREAT SUCCESS

SUMMARY

1. (SBU) PANAMAX 2005, a twelve-day, fifteen-nation military exercise involving the defense of the Panama Canal, concluded August 16. Although all participants viewed this year's multinational exercise as a great success, the drowning deaths of three Panamanian Marines during the exercise's final phase dampened any sense of jubilation. The loss of three marines in this third annual PANAMAX exercise, combined with the death of a marine during basic training in January, has resulted in recent unrelenting media criticism of the National Maritime Service (SMN) and its director Rear Admiral Ricardo (Richie) Traad. The ability to defend the Canal against attacks or disruption of shipping is vital to the economy of Panama and other users of the Canal, a key transit point for regional and international movement of container ships, grain, petroleum, and cruise ships. The USS BATAAN was the flagship for the exercise and served as the command and control center for the 150 foreign military officials who made up the multinational Combined Joint Task Force (CJTF 138). End summary.

Exercise scenario sounds familiar?

2. (SBU) This year's exercise marked the third annual deployment of multinational forces to the areas surrounding the Atlantic and Pacific entries to the Canal. The exercise has grown from three nations and three ships in 2003 to 15 nations and 35 ships in 2005. Planning for this year's exercise took place in a series of three meetings that stretched from February to June that occurred both in Panama and at U.S. Southern Command Headquarters in Miami. The exercise scenario was designed by representatives of all the participating nations. The scenario was built around a terrorist group recruiting new members and stockpiling weapons to attack the canal. As in Tom Clancy's "Red Storm Rising," the terrorist's intentions are discovered when a member of the group is killed in a car accident while carrying documents related to the planned attack. When another member of the terrorist group is captured by the police, also carrying information about an operation against the Panama Canal, the planned attack is confirmed and Panama requests a multinational coalition assistance to defend the canal.

Sovereignty

3. (SBU) Sovereignty throughout the Panama Canal is a serious issue for Panama and only Panamanian forces were allowed to operate in the actual canal and coastal waters throughout the exercise. Because Panama officially has no armed forces, PANAMAX is portrayed as a defensive exercise to maintain the operation of the Canal. Argentina, Canada, Chile, Colombia, the Dominican Republic, Ecuador, Honduras, Mexico, Panama, Peru, and the United States participated in the operational phase of the exercise. Costa Rica, El Salvador, France, and Uruguay were observers. (Note: British Ambassador James Malcom told PolCounselor the UK had wanted to participate in the exercise but had not received an invitation in time to deploy a ship. Next year England plans to deploy a ship in anticipation of the exercise. End comment.)

Panama likes Embassy's suggestion

4. (SBU) PolCounselor encouraged Panama to develop a PANAMAX briefing for the diplomatic corps and attaches and provided SMN with a suggested list of 27 countries to invite. On August 11, Traad made his presentation on PANAMAX 2005 to a group of diplomats and attaches from 12 countries and Panama's Vice President and Foreign Minister Samuel Lewis Navarro. This was the first briefing of this type done by Panama and is viewed as a positive step toward Panama taking more ownership of this increasingly significant annual exercise. Argentina, Canada, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Germany, Japan, Russia, United Kingdom, and the United States all sent representatives to the briefing. France was apparently invited to the briefing - there was a reserved seat with

their First Secretary's name - but no one attended. The briefing occurred at SMN Headquarters on Cocle Naval Base, the former United States Rodman Naval Base.

15. (SBU) Judy Meana, SMN Public Affairs Officer and a former news personality began the briefing by emphasizing the multinational nature of the exercise and reemphasized the stated objective - the ability to defend the Panama Canal. The presentation then shifted to Traad who continued the emphasis on the multinational nature of the exercise and the importance of defending the canal in order to protect regional and world trade. Traad stressed the importance of the participating countries developing interoperability and teamwork during PANAMAX. The exercise used several scenarios: a plot to blow up a ship to block the entrance to the canal, a mine field being deployed near the Atlantic entrance to the Canal to disrupt shipping, and terrorist attacks against crucial choke points inside the Canal such as locks, dams, and the narrow Culebra channel. The ability to protect crucial canal facilities against terrorist attacks involved the use of Panamanian land forces. Traad reviewed the memorandum of understanding that only Panamanian forces could operate in the actual Canal during the exercise.

High-level Interest

16. (SBU) Traad showed a film clip from last year's exercise and initiated a videoconference from the BATAAN featuring Vice Admiral Vinson Smith (U.S.), Captain Marcelo Barbieri (Chile), and Captain Antonio Adames (Panama). Captain Barbieri mentioned that 80% of Chile's exports travel through the canal. Vice President Lewis thanked the Task Force Commanders for their work. Panama's Deputy Minister of Government and Justice Olga Golcher called it an "exercise in peace" and said she was proud of the exercise. The next day Vice President Lewis flew to the BATAAN in a helicopter with Deputy SOUTHCOM Commander Major General Richard A. Mentemeyer to receive a briefing on the operational phase of the exercise and a tour of the ship. Charge and Pol/Counselor also flew to the BATAAN for a ship and exercise orientation. Along with its role as the command and control element, the BATAAN also used its helicopter assets to conduct minesweeping operations in PANAMAX 2005. Panama's President Martin Torrijos Espinosa visited the Consolidated Sea Operations Center (CSOC) at Cocoli.

Tragedy in the Final Hours

17. (SBU) The three Panamanian Marines died early in the morning on Sunday August 14 while conducting an amphibious assault of Huacha Island on Lake Gatun during a unilateral phase of the exercise. The accident remains under investigation and no official report has been released by the Government of Panama (GOP). Sources told the Embassy the marines who lost their lives exited the boat while still in deep water. The Panamanians drowned due to the depth of the water combined with the weight of their equipment. The Panamanian newspapers ran stories on the tragedy for the next several days. The articles were generally critical of the marine's training, preparation, and leadership but did not castigate Panama's participation in PANAMAX. Embassy will issue follow-up report once GOP investigation is completed. The "hot wash" and closing ceremonies on August 17 were somewhat subdued because of the accident. Many of the exercise participants attending the concluding ceremonies wore black ribbons to honor the fallen Panamanians. Participants reviewed the exercise strengths (diversity of situations, intelligence sharing) and identified areas that could be improved (battleforce email, the need for more forces in the Pacific portion of the exercise). Admiral Smith expressed his condolences to the Panamanians and thanked all participants for their efforts and teamwork. A memorial service was held for the marines following the closing ceremonies. (Comment: The Attorney General of Panamanian announced she is reopening an investigation into the case of the marine who died in January. Initially reports blamed the death on an aneurysm but reports of physical abuse and excessive exercise in Panama's jungle heat appeared in the media this week. Traad, a former Marine Officer in the Panamanian Defense Forces, will face intense scrutiny in the coming weeks as the investigations continues. End comment.)

Sensitivity Re Remilitarization

18. (SBU) Almost 16 years has passed since the U.S. military operation that ousted Panamanian dictator Manuel Noriega. It has been nearly six years since Panama assumed complete control of the canal and the last U.S. troops left Panama. These are very recent events for many Panamanians and the presence of any U.S. military members is still a "hot-button" issue with some Panamanians. Although Panama's constitution prohibits the establishment of a permanent military, persistent fears of "remilitarization" exist. On August 21, former Panamanian exile Roberto Eisenmann, founder and

president of the Panamanian daily newspaper La Prensa, wrote an article admonishing Panamanians that the U.S. military is dedicated to remilitarizing their country. He warned Panamanians that another Noriega could result and U.S. troops would once again die to liberate Panama from a dictatorship. The lack of widespread criticism or protest against the U.S.-led exercise is good news and reemphasizes the importance of exercise planning that takes into account national sensitivities. We must be alert, however, to renewed concern in next year's exercise. Additional attention to Panamanian Public Forces safety measures will be important to avoid accidents and associated negative media.

ARREAGA